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The Evolution of
French and British Labour Market Segmentation:
1982-2001

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Abstract:

This paper aims at studying the modification of French and British labour market segmentation from years 1980's to 2000's. Based on a multiple correspondence analysis using national labour force surveys in 1982-83 and 2001, we bring to light the evolution from a ternary structure of these markets to a fourfold division of their labour market with the appearance of a working precarious segment. The resilience of segments on the labour market is exposed in addition with the existence of national specific traits of each segment.

Keywords: Labour market segmentation, international comparison, employment relations.

JEL code: J 21, J41

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Introduction

Between 1982 and 2001, both in France and in the UK, many economic, technologic and institutional transformations have occurred. Concerning institutional dynamic, great similarities exist between these two countries. The firm becomes the central level of negotiation and traditional forms of labour contract are declining (Petit, 2002). All these elements have hugely shaped firm employment policies and more generally labour market organisation. Considering these evolutions of firm environment the transformation of French and British labour market segmentation can be questioned.

Large theoretic debates, notably in France, are engaged about the decline versus transformation of internal labour markets (ILM). For Galtier (1996) new employment practices are generating a new segment, for others existing segments modified themselves (Beffa, Boyer, Touffut, 1999) or are becoming out of date (Gautié, 2002). This debate echoes what we could call an empirical paradox: the cohabitation of figures about more flexibility and mobility around workers (Gautié, 2002) and others illustrating the resilience of stable jobs and the rise of tenure (Auer and Cazes, 2000; Amossé, 2002; Auer, 2005; Doogan, 2005). In the UK, the debate is still opened about tenure evolution and contradictory evidences are appearing (Gregg and Wadsworth, 1996; Burgess and Rees, 1997). Some other studies, both about France and the UK, explain the idea of a dualistic labour force in terms of tenure and mobility (Fouquin and alii, 2000; Dupray, 2000). They ask more generally the question of an employment norms polarisation in each country. Through this literature the question of the transformation of traditional labour market segmentation is asked. The original idea of this paper is to put in prospect this literature in an international comparative framework and a global approach in terms of labour market segmentation. Thus, the question asked is not if

labour markets are segmented or not. We are interested in which are the lines of French and British labour market segmentation and their evolutions during the last two decades.

Which are new lines of these labour markets segmentation in view of transformations in productive, economic and institutional firm environment? We want to bring to light labour market segments, resulting from individual statement and firm regulation, at a global level in order to give a large view of French and British employment system. These large segments must be heterogeneous but relevance is to construct an empirical view, which could be compared between countries.

The empirical part of this study is based on national labour force surveys (Enquête Emploi for France, General Household Survey - GHS - and Labour Force Survey - LFS - for the UK). From individual variables the idea is to put on the foreground labour market segments grouping individuals characterised by the same employment relation but not to group firms like in traditional segmentation approach. This choice enables us to overstep the critic make to segmentation analysis about the agglomeration of firms in closed segments when nowadays labour force management is diversifying within firms (Lefresne, 2002).

1. Evolution of Labour Market Segmentation: Hypothesis and Method

a. Toward the Resilience of ILM and the Diversification of Secondary Jobs?

Employment flexibility and unemployment led many studies question labour mobility. Based on such studies we are going to present the main assumptions of the paper.

In a French study, Amossé (2002) on 1975-2000 period, shows a rise in job mobility and more precisely a stability of job to job mobility and a rise of mobility through

unemployment. Mobility seems to be more important for low qualified workers and in the same time stable jobs after twenty years of tenure are rising. Concerning the UK, Burgess and Rees (1997) study, based on GHS, for 1975-1992 period, concluded to a stability of average tenure. On the contrary, Gregg and Wadsworth (1996) using the LFS, showed a decrease of tenure in the nineties. In this study, Gregg and Wadsworth (1996) wanted to show that if tenure and job security had not really changed for the main part of British workers, jobs available for people out of work were more and more unstable and low paid. So they spoke about an increase of job security inequality among the British labour force with an enforced opposition between primary and secondary jobs. Fouquin et alii (2000) explained the same idea when they concluded to an increasing duality of the British labour market with on one hand the « core » with workers on stable job and with high wage development and on another hand the « periphery » supporting flexibility.

All these studies and their conclusions, explaining with a segmentation framework for French and British labour market enabled them to formulate two main hypotheses. First, stable job fit into ILM regulation is still the situation of the main part of the work force both on French and British labour market. Secondly, employment flexibility and precariousness are increasing for another part of the work force, secondary jobs are numerous and more diversified. To give answer tracks to these hypotheses, we choose to develop a segmentation approach at a macroeconomic level to put on the foreground large segments structuring French and British labour market.

b. Bringing Light on Large Segments of the Labour Market

We choose to use multiple correspondence analysis (see Box 1) in order to expose the global structure of the two studied labour markets.

This choice is based on Eymard-Duvrenay (1981) and Grando (1983) studies. In this work on manufacturing manuals, Eymard-Duvrenay (1981) located several manpower management types within industrial sectors. Grando (1981) implemented the same method to distinguish employment situation profiles before analysing industrial sectors differences. So we plan to use correspondence analysis to isolate large segments on French and British labour market in the light of categories from the traditional segmentation approach (Doeringer et Piore, 1971). Some variables used in the analysis (see Appendix 1) are the same than those used by Eymard-Duvrenay (1981): job classification, sex, tenure and age. These variables permit to highlight then different points of status and workers position in the firm (tenure indicates the level of integration of the work force; employment management policy differs between job classification ...).

Since the beginning of the years 2000, several analysis have clearly been influenced in by a renewal of segmentation approach (Lefresne, 2002; Petit, 2002, 2003, 2005). Petit (2003) studied the French labour market of the nineties, on the base of firm data from French REPONSE survey. She constructed a typology of labour force management to show the relevance of a segmentation approach and concluded to a transformation of internal organisation of segments but the main segments on labour market are still the same. The dualist opposition between primary and secondary sector is still relevant.

The stake of our paper is to show that the concept of segmentation allowed to light labour market reality (Mériaux, 1978) and associated with multiple correspondence analysis it

brings to light permanencies and evolutions of large segments structuring the national labour market.

Box 1 : Data and Method

Data:

For France, the Enquête Emploi generated by INSEE is used for 1982 and 2001. For the UK, the GHS is exploited for 1983 and the British LFS for 2001. The LFS could not be used for the eighties because wage variables have only been existed since 1992. Similar variables are used in each country to make comparison possible. Consequences of this choice to privilege international comparison is a rather high level of aggregation of variables (See the list of variables in Appendix 1).

Our population is employees and self-employed, men and women, from 30 to 55 years old. We chose to work on this population to concentrate on employment relation and to avoid comparative problems for youth or senior workers. Indeed youth start working earlier in the UK; they know more situation overlapping work and education than the French. For senior workers the French early retirement system decreases strongly their employment rate. Differences in figures about activity, unemployment or inactivity rates of the 20-30 years old, the 30-55 and older people enforced this choice. In 1982-3, the rate of unemployment of the 20-30 years old, in each country, is twice as the 30-55 one. Employment rate of the youth is rarely higher than 70% when the one of 30-55 years old group is always between 75 and 80%. Employment rate of the people older than 55 is never higher than 25%. Job to job mobility is twice to three times larger for 20-30 years old comparing to the 30-55 years old group. Moving from unemployment or inactivity to employment is three times higher for youth than for intermediate age group. Differences in unemployment and activity rate are also important between the 20-30 and the 30-35 years old group.

Samples correspond, for France, to 31932 individuals for 1982 and 29955 for 2001; and for the UK, to 4797 for 1983 and 10646 individuals for 2001.

Method :

In order to distinguish different spaces which structure these labour markets a two step method is chosen. First, we analyse the relationship between the qualitative variables using the multiple correspondence analysis (MCA). A general presentation of this method is developed in the article of Lebart, Morineau, Piron (2000). In a second step, a hierarchical classification algorithm is needed to constitute the typology. Finally, we have made clusters with classes coming out from the analysis. Actives variables of the analysis are on one hand variables characterising the employment relation: tenure, wage and type of job. They are indicators of individual situations within the firm. The type of qualification gives information about ways of qualification construction system which differentiated country each other. Wage and tenure are the main active variables of the analysis. They are characterising for each year and each country the graph of the data analysis, the first axis is tenure and the second wages. Tenure contributes to around 50% of the first axis when wage contributes between 35 and 43% in the explanation of the second axis. Classes' construction and clusters are hence mainly linked with wage and tenure variables.

2. The Ternary Structure of French and British Labour Market in 1982-1983

a. A Similar Ternary Structure but ...

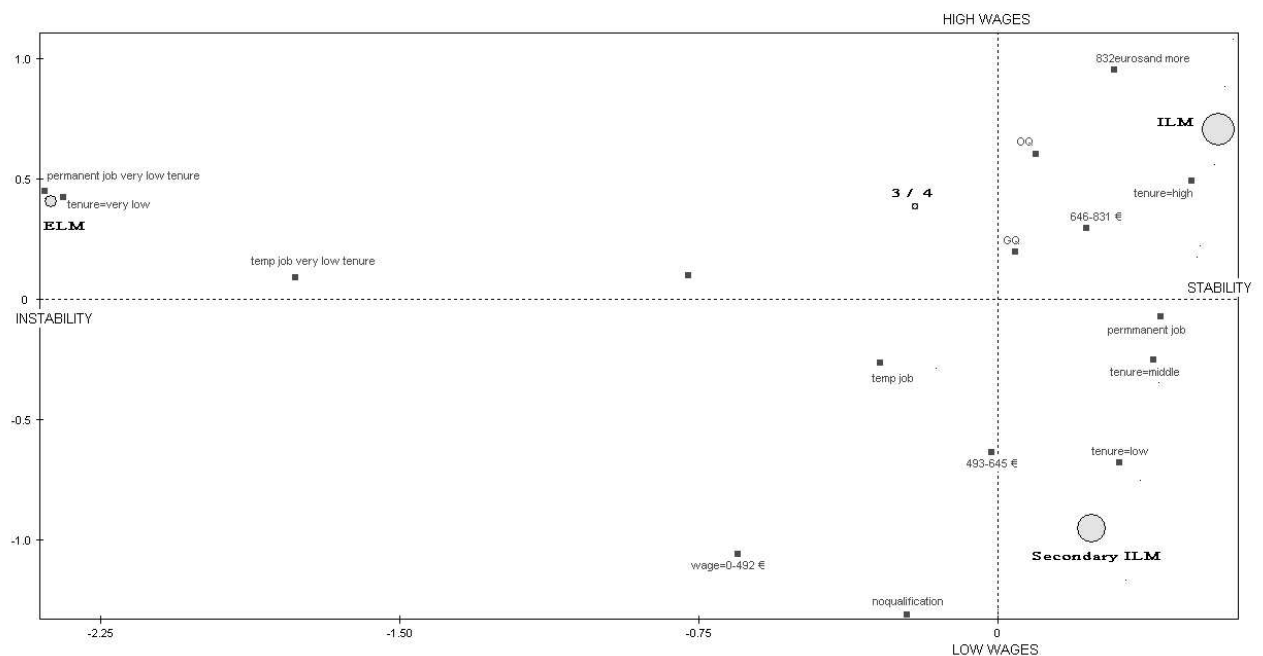
Empirical evidences concerning French and British labour market segmentation at the beginning of the eighties makes us to conclude to a ternary structure. The three segments are internal labour market (ILM), secondary internal labour market (secondary ILM) and external labour market (ELM). These three segments are quite similar to those defined by Doeringer and Piore (1971). The ILM is characterised by employment stability, high level of qualifications and wages. Then it is defined by internal mobility, career opportunities within the firm and high tenure (Germe, 2001). Secondary ILM could be defined as markets with *“formal internal structures, but they tend to have many entry ports, short mobility clusters, and the work is generally low paying, unpleasant or both”* (Doeringer and Piore, 1971, p167). It corresponds to employees in stable jobs but with low wages, qualifications and level of education. ELM put together employees with unstable job, low wages and qualification. These three types of employment relations are shared by the two countries but their inside organisation shows specific traits. Table 1 presents the distribution of each professional space both in France and the UK in the eighties.

Table 1: The Three Segments of French and British Labour Market in the Eighties

| <i>1982-83</i> | <i>France</i> | <i>UK</i> |
|----------------|---------------|-----------|
| ILM | 43% | 58% |
| Secondary ILM | 39% | 13% |
| ELM | 14% | 30% |

In the British case, the first plan of inertia of the analysis formed by axis one and two, tenure and wage, explain 29% of the information. Multiple correspondence analysis gives six classes which we had grouped into three labour market segments. For France, 34% of the information is based on the same two first axis. Four classes are coming out from the analysis; the third one is corresponding to no answer for wage variable so we do not keep it. Figures 1 and 2 represent respectively the French and British situations.

Figure 1: Three Segments on French Labour Market in 1982

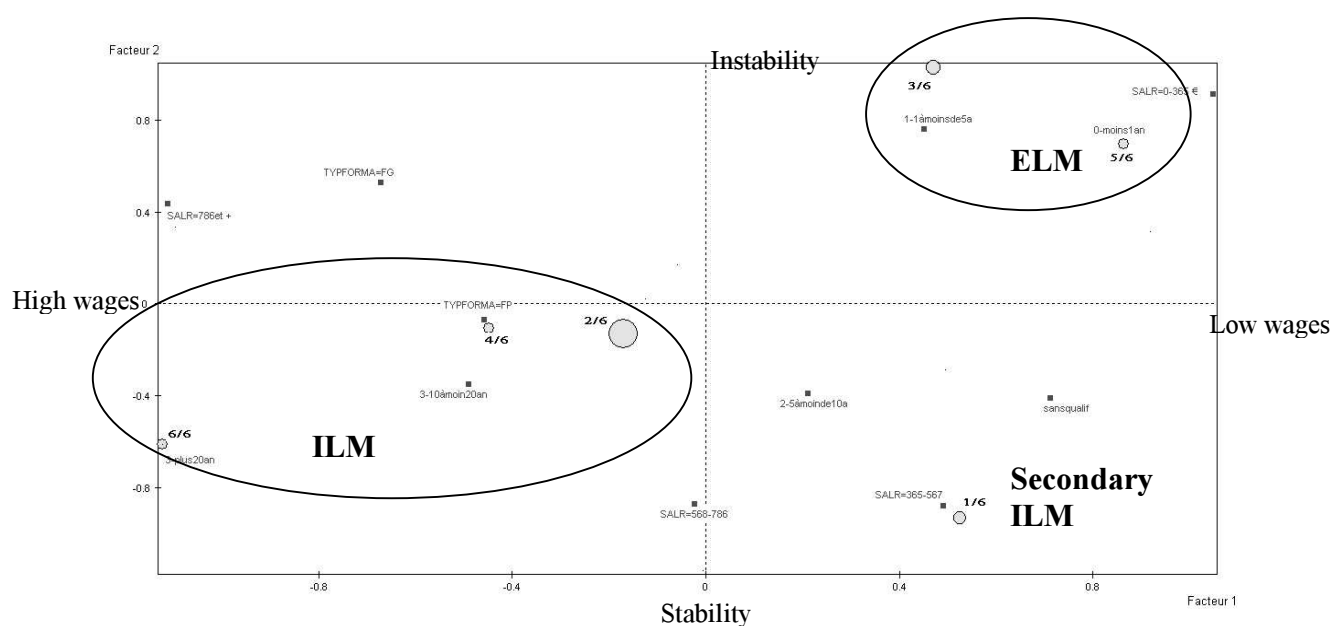


British and French ILM

The British ILM corresponds to 58% of the sample but sub-groups appear. The first class corresponds to individuals in large firms, traditional industrial sectors and services. The second class close resembles to the upper-tier primary sector defined by Piore (1975). It corresponds to professional and managerial jobs with high pay and status, great promotion opportunities. Within the upper tier, mobility and turnover pattern more closely resemble those of the secondary sector but they are associated with promotion. In this group people are

younger and they have initial occupational qualification. The third class is constituted by employees with more than twenty years of tenure. Their qualification is constructed “on the job”, they acquire an occupational status. They work essentially in the sector of energy, metals or mining and transports. Main occupational categories on the whole ILM are managers and professionals or intermediate occupations. Marsden (1992) explains that internal markets are common among British white collar workers, even if they are organised differently than French ILM. The French ILM corresponds to 43% of the sample. Half people have more than twelve years of tenure. They are managers, professionals or they have intermediate occupations. The entire ILM is situated between the higher or the second level of wages. 20% have higher education certification, and the same proportion the “baccalauréat” level. Around half of the class work in public sector and the majority in tertiary activities.

Figure 2: British Labour Market in 1983



British and French Secondary ILM

The British secondary ILM corresponds to 13% of the sample. People of this segment have low wages but quite high tenure. Around 70% of them have more than five years of tenure including 37% having more than ten years of tenure. 40% of the class have intermediate occupations. Workers are relatively old and women are more numerous than the average. The secondary ILM in France counts 39% of workers. A third has low length of service, a third middle and a third high: they are stable in their jobs but these jobs are relatively low skilled. There are many unskilled or skilled workers and personal services. Around 90% of the class is in the lowest or the second lowest wage level. 70% have no more than elementary education.

British and French ELM

The British ELM represents 30% of the sample. On one hand we find young workers in insertion or stabilisation period and on the other hand employees “shut up” in precarious sphere of labour market. This entire group have less than 5 years of tenure; they are personal services or unskilled manual with low wages. Part time jobs and mobility (between jobs or between unemployment, inactivity and job) are frequent. The low level of wages is partly linked with the large part of partimers. The French ELM represents 13% of the sample. Quite the entire class has less than one year and a half of tenure. The most frequent type of job is personal services and lower wages are two times more frequent than in the entire sample. Around three quarter of workers is in private sector and little firms are numerous. More over part time jobs are very frequent.

b. ... National Specific Traits Exist.

Comparing French and British labour market in 1982-3, we could notice a larger share of stable employment relations (ILM and secondary ILM) in France. This type of employment relation seems to be largely widespread among all level of occupational qualification in France. In Britain, it seems to be reserved to qualified workers. If we focus only on ILM, it seems to be more “closed” in France and the age variable seems to be more determining in France than in the UK. Favereau and alii (1991), in a longitudinal approach of labour market segmentation, show that French labour market gives many examples of ILM called “*youth or older selective*” because the intermediate aged population is protected when employment varies. They explain that on the contrary, for the metals and mining sector in the UK we do not found this protection of intermediate aged population but a stability of youth employment.

Skilled workers seem to have a different position on each labour market. In France they are more likely on secondary ILM and in the UK on ILM. This fact probably reflects the national ways of construction of their qualifications. In France, in the eighties, there is little initial occupational education so they used to acquire their qualification “on the job”, with time and experience. It could explain the existence of a “maximum” stage in their carrier. On the contrary, in the UK, they know apprenticeship. In 1984, more than one third of male manuals and near half of skilled manuals has known apprenticeship (Eyraud, Marsden, Silvestre 1990). So British markers get more formal qualifications, or at least more recognized by employers and they could have longer mobility chains.

Regarding educational level in each segment, they are quite similar in each country expect for ELM. In the UK we found higher educated people in this segment. It may be the sign of an occupational labour market as described by Eyraud, Marsden, Silvestre (1990).

These workers are “professionals” and move between firms in the framework of a promotional carrier.

This view of French and British labour market at the beginning of the eighties shows a ternary structure in each country. Moreover, it is also revealed national specific traits within segments. What is the situation twenty years latter?

3. Toward a Fourfold Division of Labour Market : Resilience of ILM and Development of a “Precarious Working Class”

a. The Appearance of a Forth Segment between 1982 and 2001

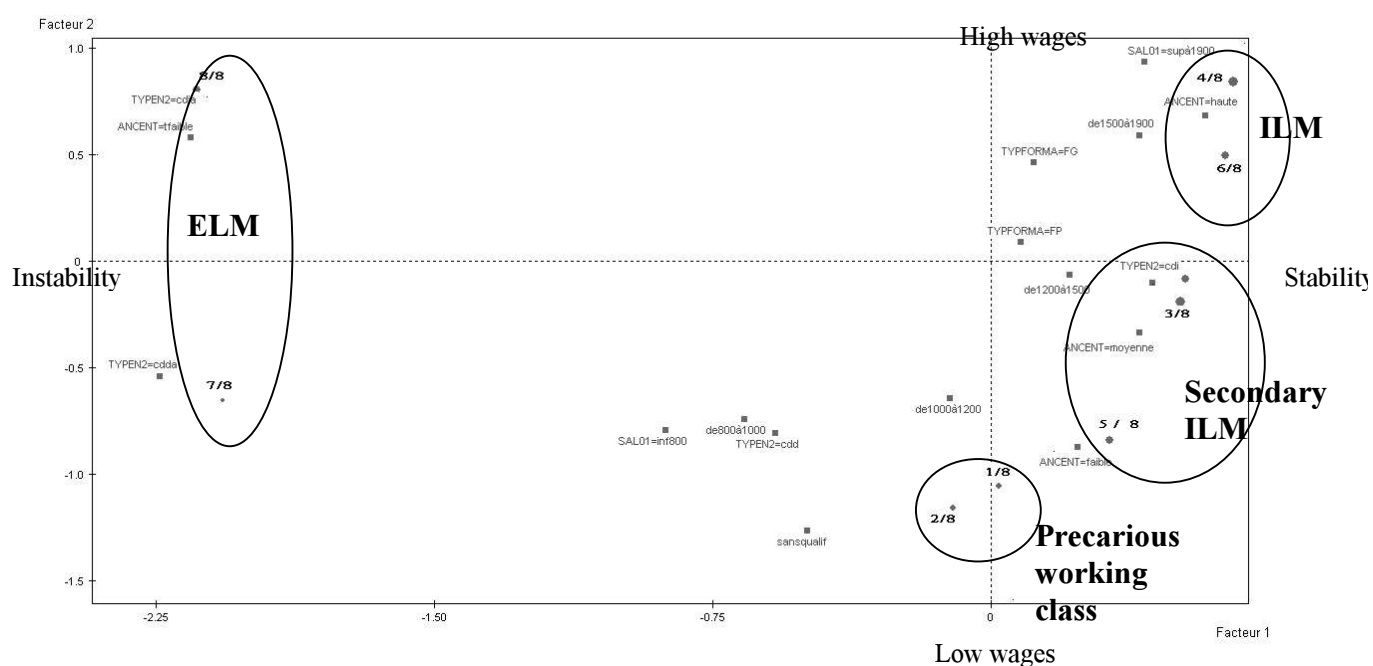
Empirical evidences for 2001 explain a fourfold division of French and British labour markets. The main difference between 1982-3 and 2001 is the appearance of the “precarious working class”. Table 2 presents the distribution of each professional space both in France and the UK for 2001.

Table 2: The Four Segments of French and British Labour Market in 2001

| <i>2001</i> | <i>France</i> | <i>UK</i> |
|--------------------------|---------------|-----------|
| ILM | 35% | 26% |
| Secondary ILM | 31% | 25% |
| Precarious working class | 17% | 29% |
| ELM | 17% | 16% |

This situation is coming from the regrouping of nine classes of the multiple correspondence analysis for the UK and eight classes for France. The two first axis of the

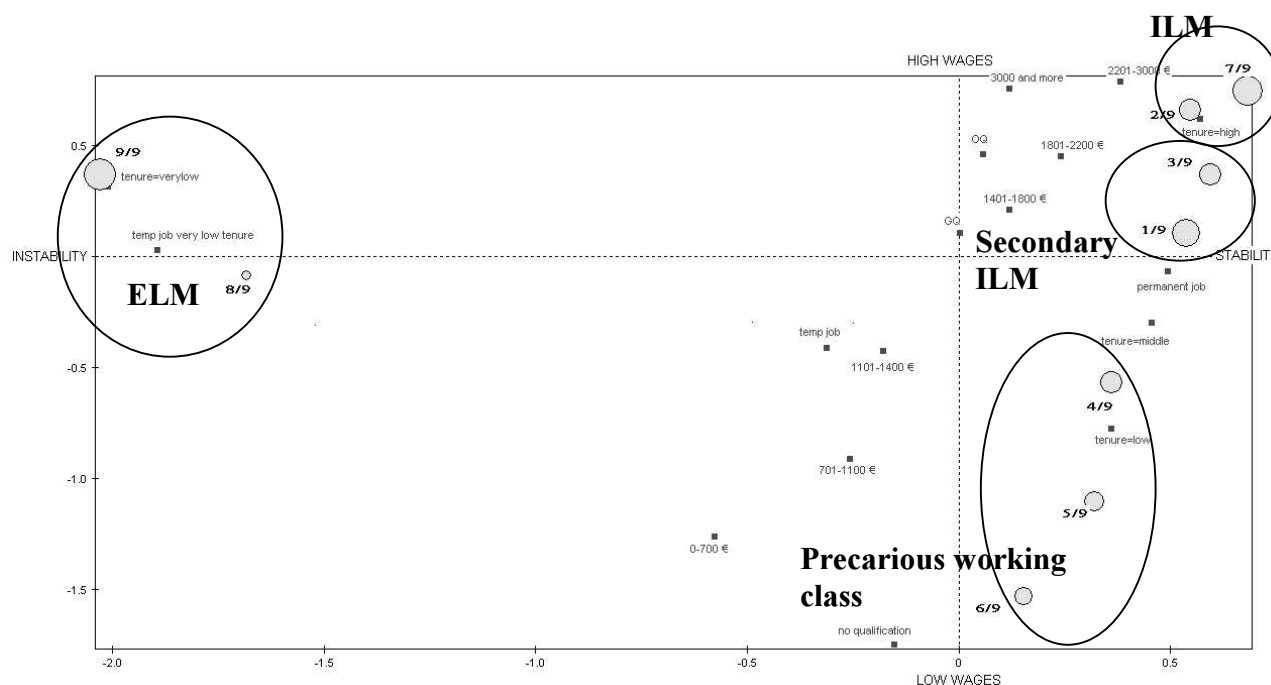
one. Figures 3 and 4 represent respectively French and British situation in 2001.



The British ILM represents in 2001 26% of the sample. Half of people have more than 11 years of tenure and about 30% between 4 and 11 years. Two classes, one where private sector is the main one and another where public sector is predominant, compose the ILM. Half of the public class are managers or professionals and around 75% of the private one. In this class people have been working at 27% in finance and property business. Another difference between the two components of the ILM is wage level. In private sector wages are higher; all workers earn more than 3000 euros monthly. In the public class they earn between 2200 and 3000 euros. In each case, half people have higher education certificate; men and large firms are more presents. For France, 34% of the population are on the ILM. This space is composed by two classes differentiated by their occupational level (majority of managers

and professionals or of intermediate occupations) and educational levels (half or a quarter of higher educated people). The general and shared characteristic of the ILM is the high length of service. Around 80% of workers have more than 7 years of tenure including 50% with more than 17 years. This occupational space is specified by 40% of workers in public sector, 22% in education, health or social activities, finance and property business for the higher paid and administration for the other one. Workers on the ILM constructed their qualification by experience (on the bases of a relatively high level of education) and acquisition of a labour status; 65% are in the second part of their carrier, indeed more than 32% are between 48 and 55 years old. One of the differences between 1982's ILM and 2001 one is the increase of level of education of the population, a general trend within labour force. It lets us thinking about modifications of the return of variables such as education, tenure, or labour market experience.

Figure 4: British Labour Market in 2001 (p 15)



British and French Secondary ILM

British secondary ILM represents 25% of the population. 70% of people have more than 4 years of tenure, including 45% having more than 11 years. They are in general skilled workers or have intermediate occupation. Their wages, between 1400 and 2200 euros correspond to middle level on the wage's scale. They have in majority secondary educational level. The industries classifications in which they are numerous are industrial sectors, construction and transports. There are more men than women and they have been working in general in large firms. French secondary ILM, 31% of the population, is composed by two classes. The difference between them is the larger part of public sector in the first one. Therefore, length of service is a little more important in this group but general characteristics of classes are very similar. Around 40% people have between 7 and 17 years of tenure. 38% in the first class and 28% in the second one are in the same firm for more than 17 years. Occupational levels are quite low: around 35% are skilled workers and a little more personal services. They used to earn between 1000 and 1500 euros per month. In terms of educational levels, 40% have a secondary occupational certificate. In the private group, 23% have no qualification. Industries, in which these people work are mainly manufacturing, transports and administration for the public one, construction and trade for the private one.

The "Precarious Working Class"

"Precarious working class" represents in the UK 29% of the population and is composed by three classes. In these classes, people are between 65 to 80% having less than 11 years of tenure. The less tenured are in the second class where also 9 on 10 workers are partimers. In the two first classes, people are personal services for more than 40% and 15 or 30% unskilled workers. In the third class workers are more qualified; around 30% hold an

intermediate occupation. This last group joints more qualified, paid workers but we put them in the “precarious working class” because of the women share, the weight of part time jobs and the share of high tenure. Hourly wage rate of the class is also closer to the two other classes than to other segments. Indeed, there is no more than 35% of higher tenure in opposition with the secondary ILM in which higher tenure is shared by more than 40% of individuals. In “precarious working class”, people earn less than 1400 euros monthly corresponding to the three lower level of wage. Around 40% have no more than elementary education. Less than 30% hold a secondary certificate like “O-AS Level”. The main industries in which they work are education, health or social activities (40%), trade (around 20%) and hotel and catering. A large majority of workers are women, from 63 to 90% in each group and around one third of the class is more than 48 years old. Small firms are more presents than in the general sample.

The French “precarious working class” represents 17% of the population. This space is composed by two classes. The main difference refers to industries classification: primary and secondary in the first group with mainly male workers, tertiary in the second one with mainly female workers. In average 45% of the “precarious working class” have a low length of service and around 40% a middle one. Qualification levels are mainly personal services (essentially in the second group with more women) or skilled and unskilled workers (in the first and “male” one). They earn less than 1000 euros monthly, less than 800 for women (in the female group three quarters are partimers). 30% of the class do not have any certificate and around 15% elementary educations. The entire space corresponds to the private sector. Workers of this class are in a precarious situation according to their low level of earnings, job classification and educational certificates even if their jobs give evidence of job stability in

opposition to the notion of external labour market in segmentation literature (Doeringer and Piore, 1971).

French and British ELM

ELM is the last segment on the labour market. It represents 16% in the UK and 17% in France. The entire group have less than one years and a half of tenure in the UK, in France 85% of people are in this situation. In the British ELM, they are 15% unskilled workers and 22% personal services. Half of this class earn less than 1400 euros monthly, including 20% earning less than 700 euros. 16% hold an elementary educational certification and higher educated people are less present than in the global sample. More than 80% of the class works in private sector and primarily in tertiary activities like hotels and catering, trade or finance and property business. Mobility variables are five times more frequent than in the general population, so this space is characterised by a high turnover. One third of the class is less than 35 years old so this space corresponds to the main “insertion space” for younger workers. The part quite important of higher educated people, of intermediate wages and qualified tertiary sector make us think that there is a part of favourable external labour market for professionals. But the aggregation level of our data and variables do not explain that very clearly. This type of labour market segments defined by Eyraud, Marsden and Silvestre (1990) as an occupational labour market exists also in the French situation where ELM is composed by two groups. One may correspond to young workers in a stabilisation pathway; they have permanent contracts, job classification similar to the global sample. A presence of higher educated people and high paid jobs are identified. The fact that occupational labour market does not appear more clearly is probably linked with our data. French studies dealing with such segments works on peculiar groups (Delteil and Dieuaide, 2001, on managers; Fondeur

and Sauviat, 2002, on jobs linked with high technologies). The second group of the French ELM may be people “shut up” in precarious jobs, they get temporary contracts, earn for half of the group less than 1000 euros and hold low level certificates. For the two groups, jobs are mainly in services for firm or private individuals; education, health and social activities. A significant characteristic is the high weight of mobility variables (between 5 and 7 times more frequent than in the global population) and part time jobs (2 times more). The large turnover could be explained in two different ways. For the first group, younger workers, it may correspond to a “matching period”. For the second group, the mobility may be more involuntary and linked with the end of temporary contracts.

b. Common Points and Differencies Between France and the UK

First, we could notice that if stable job decline during the 1980-2000 period, stable employment relation (ILM and secondary ILM) is still the situation of the major part of the labour market. Following Auer and Cazes (2000) or Doogan (2005), our results express the resilience of stable job. Our study expresses that precariousness or flexibility is not the new rule on the entire labour market. Doogan (2005) deals with the increase of long-term employment, defined as workers who have been being with their current employers for ten years or more. These results are compatible with ours. Indeed, the share of long tenured workers can increase in the same time with unsecured and unstable positions for another part of the workforce. It may correspond to a “bipolarisation” process, a phenomenon of duality which is pointed out by several studies on each country (Gregg and Wadsworth, 1996; Fouquin and al, 2000; Dupray, 2000; Amossé, 2002).

Apperance of the “Precarious Working Class”

The apparition of “precarious working class” shows the increase of flexibility that has touched both country, but their societal characteristics make the evolution national specific. The “precarious working class” is larger in the UK. Indeed, even if the ELM has shortened in the UK, the global part of unstable and insecure situations has increased between 1983 and 2001. In a context of more flexibility on product markets, of rapid technological changes, firms have to adapt their organisation to face this new environment. But it could be expensive and disadvantageous to modify ILM structure and rules. Doeringer and Piore (1971) expose a possible reaction of firm to preserve ILM in such a context by the encouragement of some types of secondary employment in the primary enterprise. Dauty and alii (2001) deals with three main forces driving of the transformation of labour organisation. Globalisation enlarges competition on the market, push firms to find new productivity margin and enforce the “market logic”. In the same time, on market product, there is an increase in product and service variability, an intensification of innovation and shrinkage of product life cycles. Finally, technological evolutions spread over all economic sectors. Consequently firms, both in France and the UK, are searching more technical, organisational and social flexibility in order to adapt to this changing environment. In the same way, Givord and Maurin (2004) explain that contemporary technological changes increase job insecurity because they “*contribute to decreasing the incentive to keep workers for long periods of time*” (p 611). They add that institutional environment and changes interfere in that trend, and their effects could be restricted. In fact, combination of external (more flexibility on market product, innovation and technological changes, globalisation) and internal pressures (cost of a modification of ILM rules) could explain the apparition of this “precarious working class”. Other external changes as development of tertiary activities, part time jobs and feminisation

of the workforce could echo “precarious working class”. The share of “services” in total employment comparing to agriculture and industry is increasing in France from 46% in 1969 to 69% in 1995 and in the UK from 51% to 73% during the same period (Tremblay, 1997). Women’s activity rate grows up quickly on the period and they are the main part of the workers of the « precarious working class ». From 1992 to 2000, women employment was increasing by 8.5% in the UK and by 10% in France (Doogan, 2005). Even if it is not clearly visible in our data, part time jobs have rapidly increased in the last two decades. At the European level, part time job increase by 35% between 1992 and 2000, when full time job increase by only 1% (Doogan, 2005).

Each type of segments close resembles from one country to the other. The main difference between “precarious working class” and ELM is the fact that the first one seems to be a lasting situation when the ELM is a more transitional one. “Precarious working class” is constituted by older people, essentially women, low qualified. They seem to be “imprisoned” in this quite stable but precarious segment. ELM groups younger workers with high turnover and level of education or wages with more disparate levels. It seems to be a more transitional segment in which people change job to find better matching even if some people are “shut up” in very precarious situation within the ELM. If we compare average wages or tenure in each segment, we see the specific position of the « precarious working class » (See Table 3). Average wages on the ELM and the secondary ILM are quite similar, but average tenure is very different. On the contrary the average wage on the British “precarious working class” corresponds to 52% of the average wage of the British secondary ILM, and to 60% in the French situation. We have to notice that the large part of partimers in the “precarious working class” makes wages lower.

Table 3: Characteristics of Each Segments in 2001

| LFS 2001 | Variables | Average | Standard deviation |
|---------------------------------|----------------------|----------------|---------------------------|
| ELM | Tenure | 0.8 | 1.5 |
| | Monthly wage | 1700 | 1435 |
| | Hourly wage | 11.6 | 7.9 |
| | Hours of work a week | 32.6 | 12.4 |
| Precarious working class | Tenure | 8.3 | 6.5 |
| | Monthly wage | 911 | 486 |
| | Hourly wage | 8.2 | 3.8 |
| | Hours of work a week | 27.3 | 11.3 |
| Secondary ILM | Tenure | 11.4 | 8.2 |
| | Monthly wage | 1775 | 222 |
| | Hourly wage | 11.2 | 2.7 |
| | Hours of work a week | 37.9 | 6.4 |
| ILM | Tenure | 12.8 | 8.8 |
| | Monthly wage | 3253 | 1312 |
| | Hourly wage | 19.2 | 8.6 |
| | Hours of work a week | 40.1 | 7.8 |
| EE 2001 | Variables | Average | Standard deviation |
| ELM | Tenure | 0.8 | 1.4 |
| | Monthly wage | 1244 | 931 |
| | Hourly wage | 8.6 | 5.8 |
| | Hours of work a week | 35.1 | 9.3 |
| Precarious working class | Tenure | 10.2 | 7.5 |
| | Monthly wage | 748 | 209 |
| | Hourly wage | 6.3 | 2.2 |
| | Hours of work a week | 31.4 | 9.7 |
| Secondary ILM | Tenure | 14.1 | 8.7 |
| | Monthly wage | 1250. | 139 |
| | Hourly wage | 8.6 | 1.7 |
| | Hours of work a week | 36.9 | 5.0 |
| ILM | Tenure | 16.7 | 9.4 |
| | Monthly wage | 2262 | 1112 |
| | Hourly wage | 14.8 | 7.5 |
| | Hours of work a week | 38.4 | 8.2 |

If we study more precisely hourly wage, we notice that they are lower in the “precarious working class” than everywhere else and that people of this segment cumulate low hourly rate and low working hours. On this segment, average tenure corresponds to 70% of the one of

secondary ILM in each country. Qualification levels are lower on the “precarious working class” than in the two other segments. On secondary ILM or ELM, in each country, the share of workers with no qualification or elementary education varies between 22 to 28%. This same proportion is 40% on the « precarious working class ». In the same time, unskilled manuals and personal services are more numerous in the « precarious working class ». Workers of this segment have quite stable jobs but with bad working conditions of earning and employment.

ILM, Resilience and Internal Evolution: More and More for Higher Educated People

Another evolution between 1982-3 and 2001 is the transformation of ILM. More precisely we can see a development of higher educated people in ILM. It corresponds to structural trends as the development of schooling and the increase of educational level within the labour force in each country (Green F., McIntosh S., Vignoles A., 2002; Béduwé and Planas, 2002; Béduwé and Germe, 2003). These trends make less necessary for firm to construct “on the job” their labour force qualification as in the traditional definition of the ILM. Germe (2001) makes the hypothesis of a more open labour market consecutively to educational level increase. However, our results do not express such a trend and educated people are on stable segments of the labour market with high tenure. Doogan (2005) exposes, based on European data, that up-skilling is associated with more long-term employment and labour market attachment. In his study of mobility in the French labour market, Amossé (2002) shows that degree is an important element for stability of careers. Higher educated people are situated on ILM in which wages returns come probably more from educational qualification or labour market experience than tenure. In a French labour market study, Bérét (1992) concluded to the presence of ILM where returns come from qualification and/or labour

market experience, of a secondary ILM in which tenure keep wage returns and an ELM where educated people could move positively. These findings enforce the hypothesis of a modification of internal rules in traditional labour market segments even if their main traits stay relevant. On ILM, length of service will no longer stay the main wage determinant. Using the employment as level of analysis, Lemistre (2003) concludes to an always important role of ILM in France even if it is less the case for specific types of employment. The author shows that for experienced workers, and particularly in qualified jobs, the weight of ILM increases.

Conclusions and Prospects

Empirical evidence of the paper shows that the dualist approach of the labour market is still relevant. This conclusion is in the line of the work of Petit (2003) based on firm data for France. A large literature about both France and the UK (Gregg and Wadsworth, 1996; Fouquin and alii, 2000; Dupray, 2000) deals with a strengthening opposition between stable and unstable work force. We find the same results in the sense that the four segments for year 2001 can be divided for each country into a stable (ILM and secondary ILM) and an unstable or insecure population (“Precarious working class” and ELM). Between 1982-3 and 2001 the weight of the unstable part has increased in each country but more largely in the UK. We conclude here to a societal aspect of the UK labour market, structurally more flexible than the French one.

Our diagnosis of segmentation of French and British labour market is based on the presence of macroeconomic permanent features. Our international comparison work permits

to use segmentation analysis to show the invariance of the existence of segments but also to show the national specific traits of each labour market.

Further research will try on one hand to put on the foreground evolutions of the internal ways of organisation of each segment and on the other hand to expose national specific types of employment relations. We plan to work in this direction with an econometrical study of variable return such as education, labour experience, and tenure. This type of work would make us be able to generate specific declination based on econometrical results and institutional context of each country.

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Appendix 1: Variables of the data analysis

Table 1: French Survey Variables

| Active Variables | Enquête Emploi 1982 | % | Enquête Emploi 2001 | % |
|-------------------------------|--|----------|--|----------|
| Monthly wage (euros) | 0-492 | 19.9 | Lower than 800 | 12 |
| | 493-645 | 24.9 | 800 to 1000 | 12.4 |
| | 646-831 | 26.5 | 1000 to 1200 | 14.9 |
| | 832 and more | 28.7 | 1200 to 1500 | 22.1 |
| | | | 1500 to 1900 | 18 |
| | | | More than 1900 | 20.7 |
| Length of service | Very low | 14.7 | Very low | 16.3 |
| | Low | 23 | Low | 22.4 |
| | Middle | 28.5 | Middle | 31.3 |
| | High | 33.8 | High | 30.1 |
| Type of contract | Temporary contract | 0.4 | Temporary contract | 1.4 |
| | Temporary contract, very low tenure | 1.1 | Temporary contract, very low tenure | 2.7 |
| | Permanent contract | 85 | Permanent contract | 82.3 |
| | Permanent contract, very low tenure | 13.6 | Permanent contract, very low tenure | 13.6 |
| Type of education | General education | 42.8 | General education | 34.2 |
| | Occupational education | 35 | Occupational education | 49.8 |
| | No qualification | 22.2 | No qualification | 16 |
| Illustrative Variables | Enquête Emploi 1982 | % | Enquête Emploi 2001 | % |
| Sex | Women | 38.6 | Women | 46.4 |
| | Men | 61.4 | Men | 53.6 |
| Age | 30-35 years old | 33.5 | 30-35 years old | 23.4 |
| | 36-41 years old | 22.6 | 36-41 years old | 24.3 |
| | 42-47 years old | 20 | 42-47 years old | 23.9 |
| | 48-55 years old | 24.3 | 48-55 years old | 28.4 |
| Educational level | No qualification | 22.2 | No qualification | 16 |
| | Elementary education | 23.2 | Elementary education | 7.6 |
| | Occupational Qualif. 2dary inf. | 6.6 | Occupational Qualif. 2dary inf. | 7.8 |
| | Gal Qualif 2dary inf. | 23.6 | Gal Qualif 2dary inf. | 31.7 |
| | Occupational Qualif 2dary sup. | 5.2 | Occupational Qualif 2dary sup. | 7.7 |
| | Gal Qualif 2dary sup. | 6.4 | Gal Qualif 2dary sup. | 8.1 |
| | 1 st Occupational level in HE | 2.4 | 1 st Occupational level in HE | 6.9 |
| | HE Gal Qualif, Occupational Qualif | 10.3 | HE Gal Qualif, Occupational Qualif | 14.3 |
| Occupational classification | Manager, professional | 10.8 | Manager, professional | 14.7 |
| | Intermediate Occupation | 25.5 | Intermediate Occupation | 23.6 |
| | Personal services | 27.1 | Personal services | 31.4 |
| | Skilled manual | 22.5 | Skilled manual | 21 |
| | Unskilled manual | 14.1 | Unskilled manual | 9.3 |
| Labour market experience | 0-8 years | 2.3 | 0-10 years | 5.5 |
| | 09-14 years | 13.6 | 10-18 years | 22 |
| | 15-21years | 29.1 | 18-24years | 22.1 |
| | 22-32 years | 33.2 | 24-31 years | 25.5 |
| | More than 32 years | 21.7 | More than 31 years | 24.9 |
| Working time | Full time | 93.3 | Full time | 84.2 |
| | Part time | 6.7 | Part time | 15.8 |
| Mobility (from n to n-1) | Unemployment to employment | 3.3 | Unemployment to employment | 5.4 |
| | Changing jobs | 4.1 | Changing jobs | 5.8 |
| | No mobility | 92.6 | No mobility | 88.8 |

| | | | | |
|--------------------------|------------------------|-------|-----------------------------|------|
| Industry classification | Agriculture | 1.4 | Administration defence | 12.8 |
| | Energy, metals, mining | 10.5 | Agriculture | 3.9 |
| | Engineering, vehicules | 11.0 | Trade | 11.1 |
| | Other manufacture | 9.5 | Construction | 5.5 |
| | Construction | 7.9 | Education -health - social | 20 |
| | Transp-communication | 7.5 | Finance – property business | 4.7 |
| | Services | 52.24 | Manufacturing | 18.7 |
| | | | Services | 18.3 |
| Public or private sector | Public | 35.4 | Public | 31.2 |
| | Private | 64.6 | Private | 68.1 |
| Firm size | Less than 10 employees | 17.9 | Less than 10 employees | 25.7 |
| | 10 to 49 | 17.5 | 10 to 49 | 18 |
| | 50 to 499 | 25.8 | 50 to 499 | 25.8 |
| | More than 500 | 38.8 | More than 500 | 30.5 |

Table 2: British Surveys Variables

| Active Variables | General Household Survey 1983 | % | Labour Force Survey 2001 | % |
|------------------------|--|------|--|------|
| Monthly Wages (euros) | 0-365 | 25.6 | 0-700 | 13.4 |
| | 365-568 | 18.6 | 701-1100 | 12.6 |
| | 568-786 | 24 | 1101-1400 | 13.6 |
| | 786 and more | 31.8 | 1401-1800 | 16.7 |
| | | | 1801-2200 | 12.7 |
| | | | 2201-3000 | 17.3 |
| | | | 3000 and more | 13.7 |
| | | | | |
| Length of service | Less than 1 years | 10.7 | Very low | 19.1 |
| | 1- 5 years | 25.1 | Low | 22.8 |
| | 5-10 years | 25.5 | Middle | 26.6 |
| | 10 -20 years | 27.5 | High | 31.5 |
| | More than 20 years | 11.2 | | |
| Type of job | | | Temporary contract | 2 |
| | | | Temporary contract, very low tenure | 2.9 |
| | | | Permanent contract | 78.9 |
| | | | Permanent contract, very low tenure | 16.2 |
| Type of education | General education | 38.1 | General education | 60.5 |
| | Occupational education | 15.8 | Occupational education | 28.5 |
| | No qualification | 46.2 | No qualification | 11.1 |
| Illustrative Variables | General Household Survey 1983 | % | Labour Force Survey 2001 | % |
| Sex | Women | 46.1 | Women | 52 |
| | Men | 53.9 | Men | 48 |
| Age | 30-35 years old | 24.9 | 30-35 years old | 25 |
| | 36-41 years old | 26.6 | 36-41 years old | 26.5 |
| | 42-47 years old | 21.5 | 42-47 years old | 22.3 |
| | 48-55 years old | 27.1 | 48-55 years old | 26.3 |
| Educational level | No qualification | 46.2 | No qualification | 11.1 |
| | Elementary education | 14.0 | Elementary education | 13.7 |
| | Occupational Qualif. 2dary inf. | 9.1 | Occupational Qualif. 2dary inf. | 20.2 |
| | Gal Qualif 2dary inf. | 5.0 | Gal Qualif 2dary inf. | 14.5 |
| | Occupational Qualif 2dary sup. | 2.2 | Occupational Qualif 2dary sup. | 6.9 |
| | Gal Qualif 2dary sup. | 3.6 | Gal Qualif 2dary sup. | 4.1 |
| | 1 st Occupational level in HE | 4.9 | 1 st Occupational level in HE | 9.7 |
| | HE Gal Qualif, Occupational Qualif | 14.9 | HE Gal Qualif, Occupational Qualif | 19.9 |

| | | | | |
|-----------------------------|----------------------------|------|-----------------------------|------|
| Occupational classification | Manager, professional | 16.6 | Manager, professional | 28.6 |
| | Intermediate Occupation | 33.2 | Intermediate Occupation | 25.2 |
| | Personal services | 8.2 | Personal services | 17.8 |
| | Skilled manual | 21.9 | Skilled manual | 17.5 |
| | Unskilled manual | 20.0 | Unskilled manual | 10.9 |
| Labour market experience | 09-17 years | 14.9 | 0-10 years | 3.0 |
| | 18-25 years | 34.7 | 11-18 years | 25 |
| | 26-35 years | 33.2 | 19-25 years | 28.7 |
| | More than 35 years | 17.1 | 26-33 years | 26.2 |
| | | | More than 33 years | 17.2 |
| Working time | Full time | 72.9 | Full time | 72.6 |
| | Part time | 27.1 | Part time | 27.4 |
| Mobility | Unemployment to employment | 4.8 | Unemployment to employment | 3.2 |
| | Changing jobs | 5.8 | Changing jobs | 10.5 |
| | No mobility | 89.4 | No mobility | 86.3 |
| Industry classification | Agriculture | 1.2 | Administration defence | 9.4 |
| | Energy, metals, mining | 8.2 | Agriculture | 1.2 |
| | Engineering, vehicules | 13 | Trade | 12.8 |
| | Other manufacture | 11.1 | Construction | 5.0 |
| | Construction | 5.1 | Education -health - social | 29.0 |
| | Services | 55.7 | Finance - property business | 13.9 |
| | Transp., communication | 5.7 | Hotel and catering | 2.9 |
| | | | Manufacturing | 18.7 |
| | | | Transports | 7.2 |
| Public or private sector | Public | 39.1 | Public | 32.6 |
| | Private | 60.9 | Private | 67.4 |
| Firm size | 0 to 24 employees | 30.4 | Less than 10 employees | 16.9 |
| | 25 to 99 | 23.5 | 10 to 49 | 28.7 |
| | More than 100 | 46.0 | 50 to 499 | 41.6 |
| | | | More than 500 | 12.9 |